



# City of Morgan Hill

## City Council Staff Report

File #: 14-517, Agenda Date: 2/4/2015, Version: 1

### **CITY COUNCIL STAFF REPORT** **MEETING DATE: FEBRUARY 4, 2015**

PREPARED BY: Andrew Crabtree, Community Development Director

APPROVED BY: City Manager

### **AGRICULTURAL LANDS PRESERVATION PROGRAM AND SOUTHEAST QUADRANT LAND USE PLAN**

#### **RECOMMENDATION(S):**

1. Adopt Resolution to amend the General Plan land use diagram (GPA14-08) to establish an Urban Limit Line (ULL) and to expand the Urban Growth Boundary (UGB) within the Southeast Quadrant; and
2. Adopt Resolution to amend the General Plan land use diagram as proposed through GPA 08-02 Tennant-Roman Catholic Bishop of San Jose to designate a site as Public Facilities; and
3. Adopt Resolution to amend the General Plan land use diagram as proposed through GPA 08-03 Fisher-Granum Partners, GPA 08-04 Tennant-Puliafico, GPA 08-05 Condit-Craiker, and GPA 14-10 SEQ-City of Morgan Hill to designate various properties as Sports / Recreation / Leisure; and
4. Defer consideration of GPA 08-12 Maple-Chiala until the conclusion of the Morgan Hill 2035 General Plan Update; and
5. Direct staff to continue discussions with the Chiala family and Santa Clara County to advance agricultural preservation efforts in a manner that may include a property clustering, Transfer of Development Rights (TDR), or Transfer of Development Credits (TDC) program that could be incorporated into proposed changes to the City's Residential Development Control System in 2016 as part of the General Plan Update process.

#### **COUNCIL PRIORITIES SUPPORTED:**

##### **On-Going Priorities**

Protecting the Environment  
Maintaining Fiscal Responsibility  
Supporting Youth

##### **Annual Priorities**

Stimulate Economic Development

#### **NARRATIVE:**

##### **Introduction**

The City has been engaged for several years in the development of a Citywide Agricultural Lands Preservation Program and, related to that Program, the planning of land uses for the City's Southeast

Quadrant (SEQ) area. These two efforts are closely related because the SEQ contains the most significant amount of remaining agricultural land within Morgan Hill's Sphere of Influence (e.g., the area for which Morgan Hill has planning authority). Multiple stakeholders, including local property owners, environmental advocates, community members, County planning staff, and LAFCO staff have been active participants in the ongoing discussion of what will be the most beneficial long-term use for the SEQ.

As part of the SEQ planning process, in 2008, the City invited SEQ property owners to submit General Plan Amendment requests (GPAs) to the City. Following direction given by the City Council at the December 17, 2014 Council meeting, staff has scheduled the SEQ area General Plan Amendment requests the agenda for Council consideration. The pending GPAs include:

- **GPA14-08:** This Amendment would expand the City's Urban Growth Boundary (UGB) and establish an Urban Limit Line (ULL) within the SEQ. Expansion of the UGB is a prerequisite to expansion of the Urban Service Area (USA) and/or annexation. This is a City initiated amendment, which if approved, would allow privately initiated requests to amend the USA and to annex properties into the City to proceed. Staff is recommending that the Council approve this amendment to expand the UGB and establish the ULL to include properties proposed for the Public Facilities and Sports / Recreation / Leisure designations.
- **GPA 08-02 Tennant-Roman Catholic Bishop of San Jose:** This is a privately initiated amendment that would change the land use designation for a specific site from Rural County to Public Facilities to allow future development of a private high school. Staff is recommending approval of this request.
- **GPA 08-03 Fisher-Granum Partners, GPA 08-04 Tennant-Puliafico, and GPA 08-05 Condit-Craiker:** These are privately initiated amendments which would change the General Plan land use designation for the subject properties from Rural County to Sports / Recreation / Leisure (SRL). Staff is recommending approval of these requests.
- **GPA 14-10 SEQ-City of Morgan Hill:** This is a City initiated amendment to change the designation of several privately owned properties from Rural County or to Agriculture so that cohesive, contiguous areas would be planned for each use within the SEQ. Staff is recommending that the City Council approve the SRL portion of this Amendment at this time and table other actions until the completion of the Morgan Hill 2035 General Plan update.
- **GPA 08-12 Maple-Chiala:** This is a privately initiated request to change the land use designation for several properties from Rural County to Open Space in order to allow their annexation. As originally proposed, upon annexation, through a Planned Development Zoning process under the City's administration, existing development rights would be clustered on a portion of the Open Space area and the remainder would be preserved for agricultural use. Staff is recommending that this amendment be tabled until completion of the Morgan Hill 2035 General Plan update process as staff, the applicant, and other stakeholders explore alternative means of accomplishing the project objectives.

### SEQ Land Use Planning Framework

The City Council has provided direction to staff on several occasions to set parameters for how the City will approach land use planning for the SEQ. Staff's recommendations are based upon the following direction provided by the City Council:

- 1) Cooperate with SEQ property owners to develop a plan with property owner support.

- 2) Establish a Sports / Recreation / Leisure district within the SEQ.
- 3) Engage with the County, LAFCO and other stakeholders to gain their support for the City's proposal.

County Planning staff has communicated that County policies are based on three key principles that Morgan Hill should consider when evaluating potential expansions of the urban area:

- 1) Does the City have adequate an adequate 5-year land supply within its existing City limits zoned/planned for the proposed use?
- 2) Is the proposed area of expansion the most appropriate location available?
- 3) Will the impacts of the expansion be fully mitigated? (For loss of agricultural lands, a 1:1 mitigation ratio is the prevalent practice within California.)

The following discussion provides an update on the most recent planning work for the SEQ and how that work relates to this prior Council direction as well as consideration of the project in relationship to the principles suggested by County planning staff. Additional background information and analysis of the specific proposals has been provided in the staff reports (attached) for the December 17, 2014 and November 5, 2014 City Council meetings.

### **ULL and UGB**

Staff is recommending that the Council's extend the Urban Growth Boundary and establish an Urban Limit Line within the SEQ to be consistent with the actions taken by the Council on the proposed SRL and Public Facilities designations. If the City Council amends the General Plan land use diagram to add SRL and Public Facilities designations within the SEQ, then it will also be necessary to extend the Urban Growth Boundary (UGB) and to establish an Urban Limit Line (ULL) within the SEQ in order to allow future annexation and development of the proposed SRL and private high school uses. The City's General Plan includes policies (discussed in prior staff reports) which support the proposed boundary changes, including:

Community Development Policy 3d: Establish and maintain an Urban Limit Line (ULL) around the City to serve as a longer term version of the Urban Growth Boundary and define the inner limits of potential Greenbelt areas.

Community Development Action 3.4: Expand UGB for land uses which have less than a 20 year supply within the UGB.

### **SRL/High School**

Staff is recommending that the City at this time approve the SEQ GPAs that would establish a SRL district within the SEQ, as well as support a future high school use, because these amendments would directly implement City goals stated within the City's General Plan as well as follow the Council's prior direction specific to establish an SRL district within the SEQ. Approval of these privately initiated amendments would be also be consistent with the goal of cooperation with the SEQ property owners who have been working with the City for over 7 years to develop the SEQ land use plan.

Because development of SRL uses would convert prime farmlands to non-agricultural use, some stakeholders, including LAFCO staff, remain opposed to this portion of the land use plan. However, to be consistent with the City's recently adopted Agricultural Preservation Policy, conversion of a

portion of the farmlands would also cause the preservation of a comparable amount of agricultural land and generate revenue for preservation through the City's proposed impact fee. Other agricultural preservation programs similarly rely upon the conversion of some farmland to generate economic support for conservation of other areas. Because Morgan Hill has three access points to Highway 101, each represents an important investment in infrastructure that should be capitalized upon with land uses that will directly benefit from that infrastructure and provide a return benefit to Morgan Hill. Development of recreational uses along 101 is an important economic development strategy for Morgan Hill, and as has been recently discussed with the City Council, limited opportunities exist for such development.

The Planning Commission did debate whether the Puliafico property, the subject of a privately initiated Amendment request, should be included within the SRL area. Because the Puliafico property extends eastward from the balance of the proposed SRL properties, excluding it or a portion of it would result in a more regular City boundary. The Puliafico property currently has development potential for five lots, and so it is possible that if excluded from the SRL, it would be developed with larger residential estate lots. The Puliafico family suggested to the Planning Commission that their property represented a unique opportunity for a larger SRL use and based upon that the Commission determined to maintain it within the SRL. The City has been contemplating the proposed SRL area as now proposed for over seven years and it seems unlikely that new information or analysis would become available within the next two years. The City should thus now be in a position to take action on the Puliafico GPA request, along with the other SRL amendments.

Development of the proposed private high school at this location would similarly utilize the freeway access while providing a benefit to the community. Further analysis of how these amendments are consistent with the General Plan was provided in the November 5, 2014 staff report.

Expansion of the City at the proposed location to accommodate the SRL and private high school uses would be consistent with the criteria stated by the County. Large parcels that planned or zoned for these uses are not available at other locations within the City. As noted, the City has clearly stated its goal of developing large-scale SRL uses along Highway 101 and considers sites along Highway 101 and in proximity to the existing Outdoor Sports Center and Aquatics Center to be uniquely well-suited for such activities. The City has adopted an Agricultural Lands Preservation Program that requires a 1:1 acreage mitigation for development of prime farmlands and so any development of the SRL or high school property will result in mitigation consistent with statewide practices.

For these reasons, staff recommends that the City Council approve these Amendment requests so that a proposed private high school and proposed SRL uses may move forward through the entitlement process ahead of the completion of the Morgan Hill 2035 General Plan update process in late 2016.

### **Agricultural Preservation**

Following Council direction, staff is also continuing to engage counterparts at the County and LAFCO to discuss possible land use planning options for the SEQ, including a meeting on November 25 2014 with representatives of the property owners, County planning and County Supervisor Mike Wasserman and a follow-up meeting on January 26, 2015.

Based upon input received from County staff at these meetings, the property owners are developing

a proposal that would allow more intensive development of a small portion of the SEQ that would be annexed into Morgan Hill to support the permanent preservation of the majority of the Chiala property as open agricultural land. While this approach would require more intensive development of a portion of the SEQ than previously proposed, it would also provide sufficient land value to preserve a larger portion of the Chiala property than in the prior proposal. This Transfer of Development Rights/Credits (TDR or TDC) approach has been advocated by some of the SEQ stakeholders because similar approaches, on a much larger scale, have been used for agricultural preservation in other areas within California.

While the City will have taken some preliminary steps with the adoption of an Agricultural Lands Preservation Program and with approval of the SRL and Public Facilities designations, considerable opportunity remains to explore how the City can best preserve agricultural land within the SEQ. Construction of new homes is also continuing within the unincorporated land area. The City can continue to work with the County and LAFCO and others to develop and implement a broader range of preservation tools (e.g., in-lieu fee, TDR, etc.) to maximize the opportunities for permanent preservation of agricultural lands. The Chiala family has agreed to delay action on their proposed amendment while this work proceeds. City staff agree with County Planning staff, per their identified principles, that it is appropriate to evaluate the City's overall needs for residential land through the General Plan update process. Staff is thus recommending that the City Council table action on the GPA 08-12 Maple-Chiala request until the completion of the General Plan update.

### **Community Engagement**

The proposed Project has been developed through a multi-year planning process formally dating to 2006, but which was initiated as a result of the City's prior General Plan update in 2001. Throughout this process, the City has worked closely with local property owners to develop details of the Project, the City Council has provided strategic direction on key issues and the Planning Commission has provided considerable input to refine Project details. The process has involved several publicly noticed hearings by both Planning Commission and City Council.

A community meeting was held in June of this year for residents of the subdivision along Hill Road. Approximately 20 community members were in attendance. One family, Mr. and Mrs. Neal, are particularly opposed to the possible annexation of their property which would need to occur if the City moves forward with annexation of the Chiala properties as proposed. Other residents were concerned that annexation would not bring them much benefit and could disturb the use of their properties as currently allowed in the County. The Planning Commission recommended that, if these properties are annexed, the City zone them so as to allow the same uses as the County currently allows. Staff and the Planning Commission are however recommending that the City not move forward with proposed annexation of the Hill Road and Chiala properties.

Numerous letters of public correspondence have been submitted over the course of public hearings held for the Project and these are included with the respective staff reports. As of the date of this report, no additional correspondence had been received that wasn't previously distributed to the City Council.

### **Council Priorities**

As noted, the Project would advance the City Council's Ongoing Priorities for Protecting the Environment, Fiscal Responsibility, and Supporting Youth by promoting the preservation of

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agricultural lands and open space, providing mitigation for loss of agricultural lands, allowing development of a Sports / Recreation / Leisure area which contributes to the City's economic development, while also, along with the proposed high school, provide increased opportunities for our youth.

The Project would advance the City Council's Annual Priority to Stimulate Economic Development by allowing development of a Sports / Recreation / Leisure area. The Project was one of the City Council's identified Focus Areas for 2014.

### **Alternative**

The City Council could consider the following alternative to staff's recommendation:

Alternative: *Defer actions on all pending SEQ General Plan Amendments until conclusion of the General Plan Update*

**Pro:** Deferring all actions within the SEQ until completion of the General Plan update process would be consistent with the request of LAFCO staff and other community stakeholders. It would allow further time to negotiate the boundaries of the SRL area without the City having formally amended the General Plan to depict the SRL area as it has been proposed.

To ensure the Council is well informed of LAFCO's staff position, LAFCO's Executive Officer has requested that City staff inform the Council that she believes we will be unable to work collaboratively if the Council takes further action at this time. For the Council's reference, attached is a letter from the City Manager to LAFCO's Executive Officer (dated January 28, 2015) describing how City staff believe that a collaborative process remains possible even if the Council takes the recommended actions.

**Con:** Deferral of the SRL and Public Facilities amendments would prevent the near-term development of the private high school and SRL uses.

**Reason for not recommending:** The City has already clearly indicated the intent to develop SRL uses within the SEQ and deferring action is very unlikely to result in a different proposal. The City will eventually need to take action on the privately initiated amendments. Staff does not anticipate having any more information in two years that would alter the City's decision. Deferral could result in the loss of the high school and other SRL development projects.

### **Next Steps**

Based upon the City Council's actions, staff will schedule proposed rezoning, USA expansion and/or annexation requests for consideration before the Planning Commission and City Council. These would potentially be followed by applications to LAFCO and processing of development permits that would allow construction of a new private high school and Sports / Recreation / Leisure development within the SEQ.

Staff will also continue working with the Chiala family and the County, LAFCO, and OSA to advance the City's agricultural preservation goals.

**PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

Most recently, components of the Project were considered by the Planning Commission at their regular meetings of May 13, 2014, May 27, 2014, June 10, 2014, June 24, 2014, August 12, 2014, August 26, 2014, September 9, 2014, September 23, 2014 and October 14, 2014. The Planning Commission recommendation and discussion identified in this staff report are the result of these meetings. The City Council also received an update of the Project at its meeting of July 2, 2014. Staff reports for each of these meetings are attached. The Planning Commission also conducted a study session on the Project on February 25, 2014. Questions raised at that study session are addressed in the staff report for the May 13, 2014 Commission meeting.

Since 2007, the SEQ project has been defined through input and direction provided by both the Planning Commission and City Council on multiple occasions. Notable direction on the Project was provided to staff at the following meetings:

- February 21, 2007 City Council - direction to revise Residential Development Control System (RDSCS) to support the preservation of open space and agriculture within the SEQ
- November 7, 2007 City Council - suggestion to use Residential Development Control System (RDSCS) process as a funding source for agricultural mitigation.
- February 20, 2008 City Council - direction to continue with SEQ work program as proposed with an emphasis on development of sports/recreation/leisure uses within the SEQ and identification of a priority agricultural conservation area within the SEQ.
- April 22, 2008 Planning Commission - discussion of sports/recreation/leisure as a land use focus for the SEQ.
- April 30, 2008 City Council - direction for City staff to work cooperatively with private property owners to develop a single project and to include an analysis of the long-term feasibility of agriculture within the project.
- October 7, 2009 City Council - acceptance of the project definition to include the proposed land use plan and agricultural preservation program.
- April 7, 2010 City Council - further definition of the proposed land use plan, including direction to continue to explore the proposed agricultural preservation program as a feasible strategy
- November 5, 2014 City Council - adoption of the Citywide Agricultural Lands Preservation Program and amendment of the General Plan to add Agricultural Lands and Sports / Recreation / Leisure (SRL) designations. The City Council advised that the Agricultural Lands Preservation Program should be considered a "living document" and that updates be considered on a regular basis.
- December 17, 2014 City Council - direction from City Council to schedule SEQ General Plan Amendments and other actions related to the Public Facilities and SRL uses for Council consideration.

**FISCAL AND RESOURCE IMPACT:**

Ongoing staff work on the Project is being funded through the City's Long Range Planning fund. Additional costs, such as consultant fees and noticing, are shared between the City's Long Range Planning fund and the private applicants participating in the Project.

**CEQA (California Environmental Quality Act):**

Environmental clearance for this Project is provided through an Environmental Impact Report (EIR) prepared in accordance with the California Environmental Quality Act (CEQA) to evaluate the potential environmental impacts associated with the adoption of a Citywide Agriculture Preservation Program and Southeast Quadrant Land Use Plan (State Clearinghouse No. 2010102010). This document is prepared in conformance with CEQA (California Public Resources Code, Section 21000, et seq.) and the CEQA Guidelines (California Code of Regulations, Title 14, Section 15000, et seq.), and City of Morgan Hill rules and regulations. The EIR was certified by the City Council on November 5, 2014. The potential impacts of the currently proposed actions were addressed within the EIR.

**LINKS/ATTACHMENTS:**

1. Resolution General Plan Amendment GPA 14-08 (ULL and UGB)
2. GPA 14-08 Resolution Exhibit A: ULL and UGB
3. Resolution General Plan Land Use Diagram amendments GPA 08-02, GPA 08-03, GPA 08-04, GPA 08-05, and GPA 14-10
4. SEQ Land Use Diagram Amendments Resolution Exhibit A
5. December 17, 2014 City Council Staff Report - General Plan Update
6. November 5, 2014 City Council Staff Report - SEQ



**RESOLUTION NO. 15-****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING GENERAL PLAN AMENDMENT APPLICATION GPA-14-08: CITY OF MORGAN HILL –ULL/UGB EXPANSION TO ESTABLISH AN URBAN LIMIT LINE AND TO MODIFY THE URBAN GROWTH BOUNDARY WITHIN THE SOUTH EAST QUADRANT.**

**WHEREAS**, such request was considered by the Planning Commission at their regular meetings of May 27, 2014, June 10, 2014, June 24, 2014, July 22, August 12, September 9, September 23, and October 14 2014, at the conclusion of such hearings the Planning Commission recommended approval of General Plan Amendment application, GPA-14-08: City of Morgan Hill – ULL/UGB Expansion; and

**WHEREAS**, such requests were considered by the City Council at their regular meeting of February 4, 2015; and

**WHEREAS**, at which time the City Council found on the basis of the whole record before it, including the Environmental Impact Report and any comments received, that the project includes adequate mitigations for potential impacts or a Statement of Overriding Considerations has been adopted by the City for the project; and

**WHEREAS**, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

**NOW, THEREFORE, THE CITY COUNCIL OF MORGAN HILL DOES RESOLVE AS FOLLOWS:**

**SECTION 1.** The General Plan Amendment is found to be consistent with the policies and provisions of the General Plan including the following General Plan Policies and Actions:

*Community Development Policy 2c: Consider land within or adjacent to the city as available for urban development only when it is included within the Urban Service Area and Urban Growth Boundary and can be developed in a manner that will be cost-effective to the City.*

*Community Development Policy 3d: Establish and maintain an Urban Limit Line (ULL) around the City to serve as a longer term version of the Urban Growth Boundary and define the inner limits of potential Greenbelt areas.*

*Community Development Policy 3e: The Urban Limit Line should be continuous around the City and located outside of or coterminous with the city limits and Urban Growth Boundary. Greenbelt areas should be located outside of the ULL.*

*Community Development Action 3.4: Expand UGB for land uses which have less than a 20 year supply within the UGB.*

*Community Development Goal 5: Preservation of agricultural and open space uses on unincorporated lands outside the UGB.*

*Greenbelt Policy 2j: Locate the Greenbelt outside of the Urban Limit Line, where practical.*

*Community Development Policy 5.3: Work with Santa Clara County to reach consensual agreement regarding the expansion of the city's urban area and permanent preservation of greenbelts in unincorporated areas surrounding the city."*

The Amendments are consistent with Community Development Goal 5, Community Development Policy 2c, 3c, 3d, and 3e, Community Development Action 3.4 and Greenbelt Policy 2j because the Amendments would establish an efficient Urban Limit Line and Urban Growth Boundary within the Southeast Quadrant that would preserve agricultural and open space lands outside of the Urban Growth Boundary.

**SECTION 2.** An Environmental Impact Report (EIR) prepared in accordance with the California Environmental Quality Act (CEQA) to evaluate the potential environmental impacts associated with the adoption of a Citywide Agriculture Preservation Program and Southeast Quadrant Land Use Plan (State Clearinghouse No. 2010102010). This document is prepared in conformance with CEQA (California Public Resources Code, Section 21000, et seq.) and the CEQA Guidelines (California Code of Regulations, Title 14, Section 15000, et seq.), and City of Morgan Hill rules and regulations.

**SECTION 3.** The City Council hereby approves the General Plan Amendment as shown in the attached exhibit entitled, 'Southeast Quadrant Project Proposed Amendment to UGB & ULL'.

**SECTION 4.** This resolution shall be effective upon adoption subject only to the possibility of referendum within 30 days following the date of adoption.

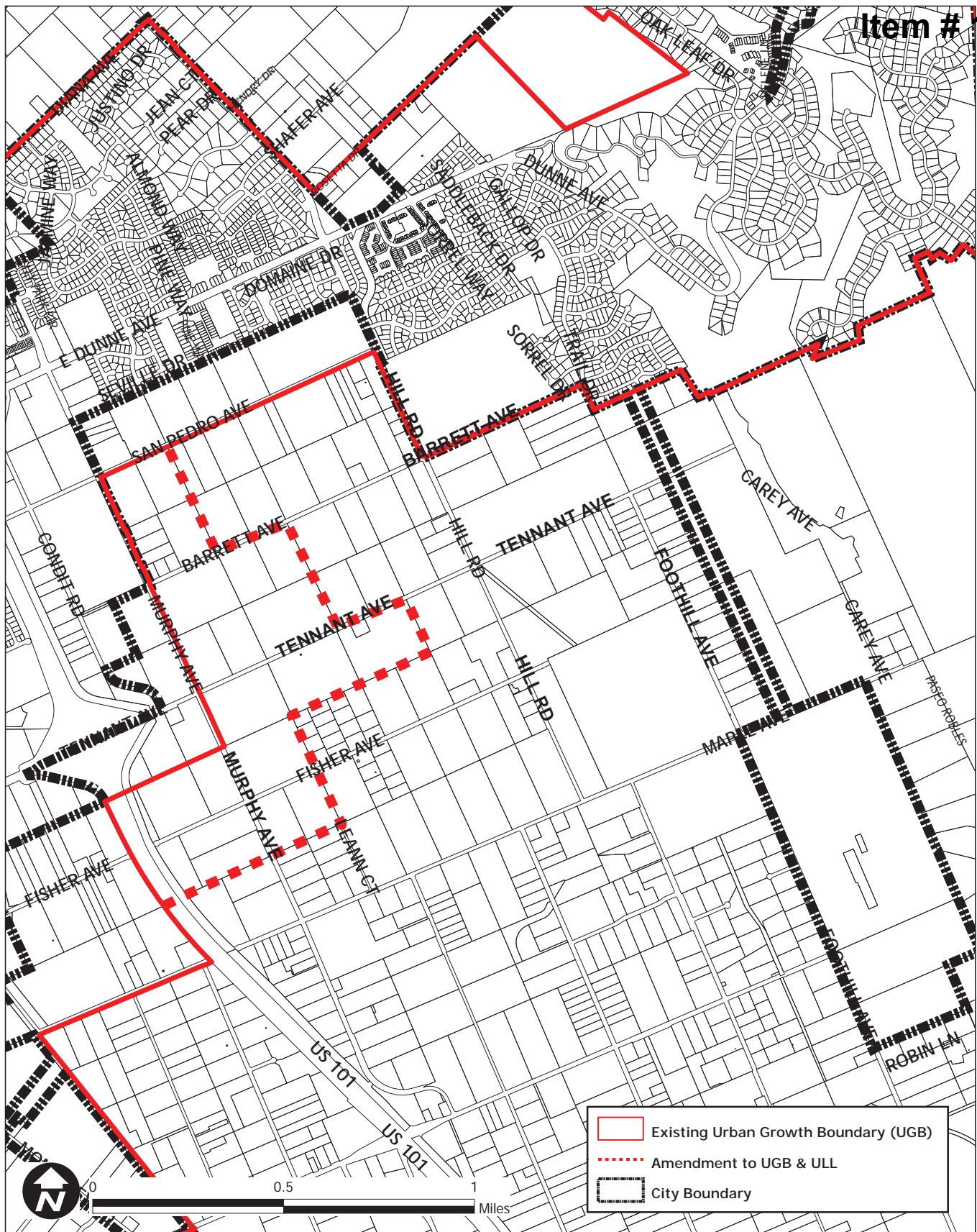
**PASSED AND ADOPTED THIS 4th DAY OF FEBRUARY 2015, AT A REGULAR MEETING OF THE CITY COUNCIL BY THE FOLLOWING VOTE:**

<b>AYES:</b>	<b>COUNCILMEMBERS:</b>
<b>NOES:</b>	<b>COUNCILMEMBERS:</b>
<b>ABSTAIN:</b>	<b>COUNCILMEMBERS:</b>
<b>ABSENT:</b>	<b>COUNCILMEMBERS:</b>

**ATTEST:**

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**IRMA TORREZ**  
City Clerk



## Southeast Quadrant Project Proposed Amendment to UGB & ULL



**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING GENERAL PLAN AMENDMENT APPLICATIONS GPA-08-02, GPA-08-03, GPA-08-04, GPA-08-05, AND GPA-14-10 AND A MODIFIED GPA-08-12: AMENDING THE LAND USE DESIGNATIONS ON SIX SEPARATE AREAS TOTALLY 1108 ACRES WITHIN THE SOUTHEAST QUADRANT LAND USE PLAN AREA**

**WHEREAS**, such request was considered by the Planning Commission at their regular meetings of May 27, 2014, June 10, 2014, June 24, 2014, July 22, 2014, August 12, 2014, August 26, 2014, September 9, 2014 and September 23, 2014 at which time the Planning Commission recommended the City Council approve applications GPA-08-02, GPA-08-03, GPA-08-04, GPA-08-05, and GPA-14-10 and a modified version of GPA-08-12; and

**WHEREAS**, such requests were considered by the City Council at their regular meeting of November 5, 2014; and

**WHEREAS**, at which time the City Council found on the basis of the whole record before it, including the Environmental Impact Report and any comments received, that the project includes adequate mitigations for potential impacts or a Statement of Overriding Considerations has been adopted by the City for the project; and

**WHEREAS**, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process;

**NOW, THEREFORE, THE CITY COUNCIL OF MORGAN HILL DOES RESOLVE AS FOLLOWS:**

**SECTION 1.** The General Plan Amendments are consistent with the provisions of the General Plan, including the following General Plan Policies and Actions:

*Economic Development Policy 3c. Encourage location of tourist and recreation oriented commercial development along the freeway.*

The Amendments are consistent with Economic Development Policy 3c because the Amendments would establish a large-scale Sports / Recreation / Leisure district adjacent to the freeway.

*Community Development Policy 19b: Encourage the Morgan Hill Unified School District, Gavilan College and private schools to develop a strategic plan for and construct schools to coincide with the planned future growth of the city.*

The Amendments are consistent with Community Development Policy 19b because the Amendment would encourage a private school to develop to support future growth of the city.

**SECTION 2.** An Environmental Impact Report (EIR) prepared in accordance with the California Environmental Quality Act (CEQA) to evaluate the potential environmental impacts associated with the adoption of a Citywide Agriculture Preservation Program and Southeast Quadrant Land Use Plan (State Clearinghouse No. 2010102010). This document is prepared in conformance with CEQA (California Public Resources Code, Section 21000, et seq.) and the CEQA Guidelines (California Code of Regulations, Title 14, Section 15000, et seq.), and City of Morgan Hill rules and regulations.

**SECTION 3.** The City Council hereby approves the following General Plan Amendments to amend the General Plan land use diagram as shown in the attached Exhibit ‘A’ entitled ‘Southeast Quadrant Project Proposed Amendment to the General Plan Land Use Diagram to establish Public Facility and Sports / Recreation / Leisure Districts’ and which incorporates the following:

1. **GPA 08-02: Tennant-Roman Catholic Bishop of San Jose.** Amend the land use designation as shown in Exhibit A, from Rural County to Public Facility on the approximately 39 acre site located in the north east quadrant of the intersection of Murphy Ave. and Tennant Ave. (APNs 817-17-001, 025 & 026)
2. **GPA 08-03: Fisher-Granum Partners.** Amend the land use designation as shown in Exhibit A, from Rural County to Sports/Recreation/Leisure on the approximately 26 acre site located on the north side of Fisher Ave., west of Murphy Ave., adjacent to the east side of Highway 101. (APNs 817-14-004, 005 & 009)
3. **GPA 08-04: Tennant-Puliafico.** Amend the land use designation as shown in Exhibit A, from Rural County to Sports/Recreation/Leisure on the approximately 39 acre site located on the south side of Tennant Ave., 1060 ft. east of Murphy Ave. (APNs 817-16-002, 003, 004 & 005)
4. **GPA 08-05: Condit-Craiker.** Amend the land use designation as shown in Exhibit A, from Rural County to Sports/Recreation/Leisure on the approximately 4 acre site located in the north east quadrant of the intersection of Tennant Ave. and Condit Rd. (APNs 817-13-008)
5. **GPA 14-10: City of Morgan Hill-SEQ.** Amend the land use designation as shown in Exhibit A, from Rural County to Sports/Recreation/Leisure on an approximately 203 acre area bound by the south side of San Pedro Ave, east of Hill Rd., west of Highway 101 and north of Maple Ave. (APNs 817-13-011 & 037; 817-14-011, 012 & 014, 017, 019, & 021; 817-15-001 & 002; 817-16-001, & 014, 817-17-002, 003 & 008; and 817-18-001, 002 & 043)

Also, amending the land use designation as shown on Exhibit A from Rural County to Residential Estate on an area approximately 9.5 acres at the northeast corner of Barrett Avenue and Murphy Avenue. (APNs 817-18-025, 026, 027, 039, 040, 042)

**PASSED AND ADOPTED THIS 4<sup>th</sup> DAY OF FEBRUARY 2015, AT A REGULAR MEETING OF THE CITY COUNCIL BY THE FOLLOWING VOTE:**

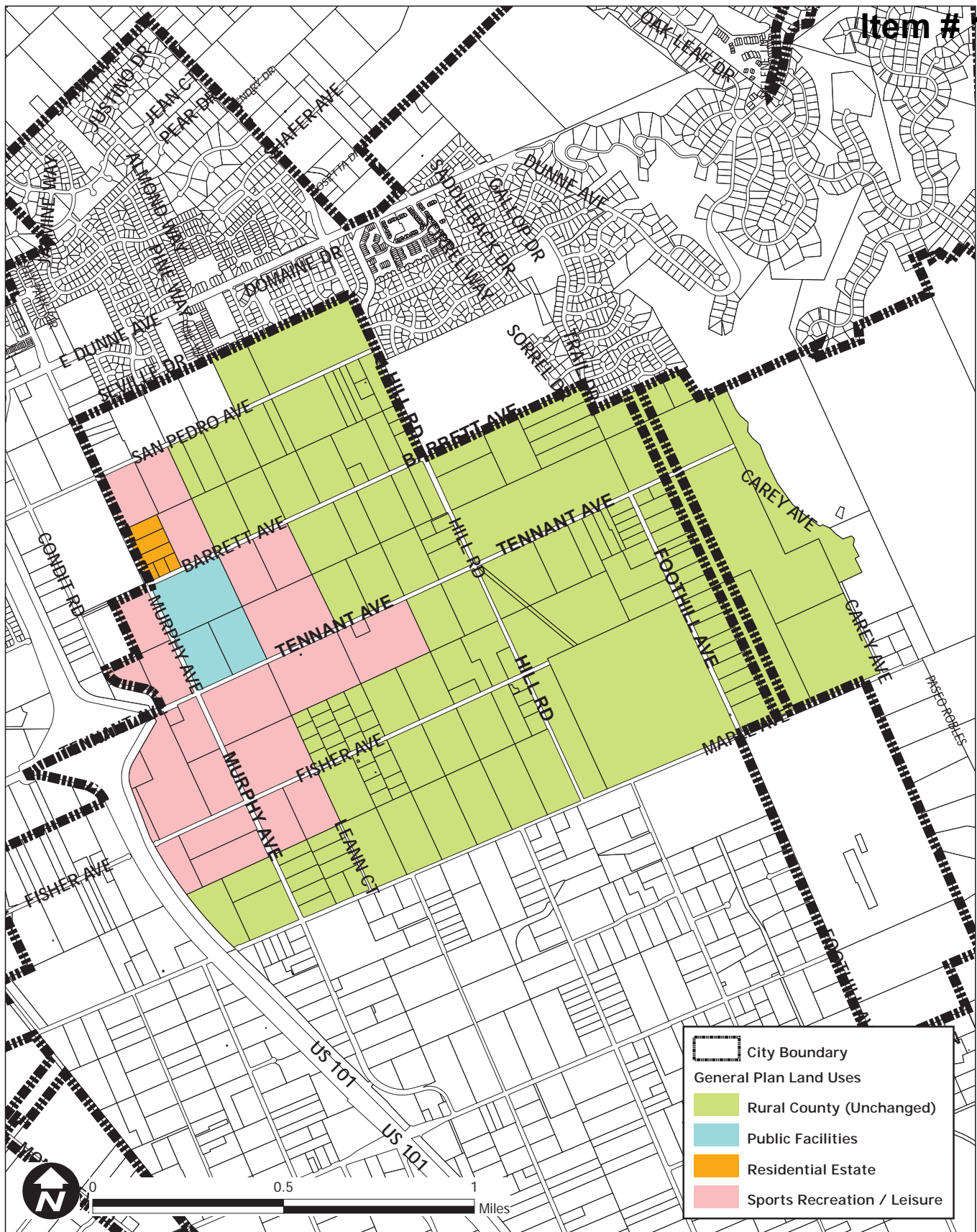
**AYES: COUNCILMEMBERS:**  
**NOES: COUNCILMEMBERS:**  
**ABSTAIN: COUNCILMEMBERS:**  
**ABSENT: COUNCILMEMBERS:**

**ATTEST:**

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**IRMA TORREZ**  
City Clerk

EXHIBIT A



**Southeast Quadrant Project**  
**Proposed Amendment to the General Plan Land Use Diagram**  
**to establish**  
**Public Facility, Residential Estate,**  
**and Sports / Recreation / Leisure Districts**





January 28, 2014

Ms. Neelima Palacherla  
Executive Officer  
LAFCO of Santa Clara County

Dear Ms. Palacherla,

Thank you for talking with me and subsequently Andrew Crabtree about the continued interest of staff from LAFCO, County Planning, and the Open Space Authority (OSA), to work collaboratively with the City on agricultural preservation and Sports Recreation and Leisure (SRL, including a high school) uses in Morgan Hill's Southeast Quadrant (SEQ). As an initial step, you proposed that staff from the three agencies and the City develop a Memorandum of Understanding (MOU) to be considered by our respective governing bodies.

During our conversation, you indicated to me that you believe that we will be unable to work collaboratively if the Morgan Hill City Council takes further actions at this time. Thus, you asked that City staff recommend our Council defer any further agricultural preservation and land use decisions until we can work together to develop a mutually agreed upon plan to fulfill the Council's agricultural preservation and SRL goals. In essence, you are asking that we postpone all decisions until a new City General Plan is adopted in late 2016. As we communicated to you, City staff is not in a position to make that recommendation. However, we remain confident that the agencies can continue to work together even if the Council takes limited actions as follows on February 4. I also want to assure you that your position will be clearly communicated to the City Council as you requested of me. We will be recommending that our Council:

1. Amend the General Plan land use diagram (GPA14-08) to establish an Urban Limit Line (ULL) and to expand the Urban Growth Boundary (UGB) within the Southeast Quadrant;
2. Amend the General Plan land use diagram as proposed through GPA 08-02 Tennant-Roman Catholic Bishop of San Jose, GPA 08-03 Fisher-Granum Partners, GPA 08-04 Tennant-Puliafico, GPA 08-05 Condit-Craiker, and GPA 14-10 SEQ-City of Morgan Hill to designate areas for SRL and a high school;
3. Defer consideration of GPA 08-12 Maple-Chiala until the conclusion of the Morgan Hill 2035 General Plan Update; and
4. Direct staff to continue discussions with the Chiala family, Santa Clara County, LAFCO and other stakeholders to advance the City's agricultural preservation efforts in a manner that may include a property clustering program and/or transfer of development rights that could be incorporated into the City's General Plan and Residential Development Control System (RDCS) in 2016 as part of the General Plan Update process.

The primary purpose of my letter is to share how the City believes that a collaborative process remains possible. While the City has taken some actions, including adoption of an Agricultural Lands Preservation Program, and is also in the process of considering General Plan Amendments and revisions to its Urban Growth Boundary as noted above, these actions do not preclude us from continuing to work together to develop and implement an overall strategy for the preservation of agricultural lands within the SEQ. In adoption of the Agricultural Lands Preservation Program, both our Planning Commission and City Council were very clear that they considered it a “first step” in the process and a document which can and should be further refined as we further explore different agricultural preservation strategies. Further refinements to the General Plan could also be developed and incorporated into the City’s General Plan update anticipated for consideration by the City before the end of 2016.

Specifically, we propose that we continue to work with the County, LAFCO, OSA, and landowners to address the following:

- 1) Analysis of specific tools that will be used to protect agricultural lands, including but not limited to, a potential TDR, TDC or clustering program that creates new development potential in order to economically support the preservation of agricultural land
- 2) The acreage of land that will be preserved as agriculture
- 3) The ultimate boundaries for the City of Morgan Hill within the SEQ
- 4) Further refinements to the City’s Agricultural Lands Preservation Policy
- 5) Adoption of an implementing ordinance for the Agricultural Lands Preservation Policy
- 6) Changes to the City’s General Plan, RDCS, Zoning, etc., necessary in order to implement the preservation plan
- 7) Actions by County and/or LAFCO necessary to implement the preservation plan
- 8) Other actions as necessary or appropriate

Furthermore, the City is thankful for the efforts of Supervisor Wasserman’s office to facilitate meetings with the Chiala family, County Planning, and the City. The initial efforts have resulted in the Chiala family proposing a new, creative approach that meets the needs of the landowners, demonstrates the family’s long-term commitment to preserving agriculture (not just open space) on the Chiala’s property well into the future, and establishes a potential foundation to assist with agricultural viability throughout the entire SEQ. As a result of the latest proposal by the Chiala family, County staff has indicated that they believe we have the right framework in place and they will continue to be involved in the process as it evolves during the City’s comprehensive General Plan Update.

I believe that it is important to celebrate that this new approach was a direct result of our conversations last summer in which LAFCO, County, and OSA staff communicated significant concern with the proposed land use plan and preservation strategy for that specific area within the SEQ. Moving forward, we all concur that an appropriate next step is to schedule a time for the Chiala family and City to meet with you (and ultimately other stakeholders) to describe the family’s proposal and begin the dialogue on the merits of this approach for long-term agricultural preservation.

Finally, the City is confident that the aforementioned collaborative process can be duplicated in other facets of our land use planning for the SEQ. Thank you again for your continued support and efforts in working with the City, landowners, and our partner agencies. We look forward to our future conversations.

Sincerely,



Steve Rymer  
City Manager

CC: Andrea McKenzie, OSA General Manager  
Kirk Girard, County Planning Manager  
Andrew Crabtree, Morgan Hill Community Development Director

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